

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 ITC-01 AGR-10 AGRE-00 L-03

AID-05 CIAE-00 FRB-01 INR-07 NSAE-00 USIA-15 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 /105 W
----- 003500

R 160004Z SEP 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7424

USDOC WASHDC

TREASURY DEPTO WASHDC

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

UNCLAS MEXICO 11912

E.O. 11652: N/A

TAGS: BEXP, EFIN, MX

SUBJ: NEW MEXICAN EXPORT AND IMPORT TARIFF

REF: MEXICO 11538

1. SUMMARY. AFTER TWO DAYS DELAY, DIARIO OFICIAL OF SEPTEMBER 8 APPEARED LATE SEPTEMBER 10 WITH SEVERAL DECREES TOTALING 100 PAGES OF NEW TARIFFS, OFFICIAL PRICES, AND OTHER DATA FOR BOTH EXPORTS AND IMPORTS. TARIFFS ARE LEVIED ON HIGHER OF INVOICED PRICE OR OFFICIAL PRICE. WHEREAS MOST IMPORTS ALREADY HAD AN OFFICIAL PRICE AND A DUTY, GOM HAS NOW ALSO ASSIGNED UNCLASSIFIED

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OFFICIAL PRICES TO EXPORTS, WITH DUTY VARYING FROM

7.5 PERCENT TO FIFTY PERCENT (THE LATTER ON VERY FEW ITEMS). ACTUAL RATE VARIES WITH CHANGE IN EXCHANGE RATE. MAQUILADORAS ALSO WILL PAY A MODEST EXPORT DUTY ON THEIR MEXICAN COMPONENT, THROUGH THEIR TEMPORARY IMPORTS OF SEMIFINISHED GOOD AND RAW MATERIALS WILL BE FACILITATED. END SUMMARY.

2. EXPORTS- VIRTUALLY ALL EXPORTS ARE NOW ASSIGNED AN OFFICIAL PRICE, WHEREAS PREVIOUSLY AN EXPORT OFFICIAL PRICE WAS RARE. EXPORT DUTY RATES ARE DIVIDED INTO TWO PRINCIPAL CATEGORIES: (A) AGRICULTURAL GOODS, ANIMAL AND VEGETABLE, WILL BE TAXED 18 PERCENT AD VALOREM, WITH A FEW EXCEPTIONS. (B) MINERALS, PETROLEUM PRODUCTS CHEMICALS, AND MANUFACTURES GENERALLY WILL BE TAXED 6.5 PERCENT AD VALOREM, AGAIN WITH EXCEPTIONS. EXCEPTIONS TO (A) INCLUDED IN (B) ARE CEREALS, TOBACCO, AND ALCOHOLIC BEVERAGES. THERE ARE SEVERAL EXCEPTIONAL SUBCATEGORIES OF (B) IN WHICH THE TARIFF RATE RISES ALL THE WAY TO 50 PERCENT. EXAMPLES ARE:

20 PERCENT - SOME ACIDS, COFFEE

25 PERCENT - DOLOMITE

40 PERCENT - SPECIAL CLAYS

30 PERCENT - HUMAN BLOOD

IN ADDITION, THERE ARE SEVERAL ITEMS (E.G. SOME METAL ORES) WHICH REMAIN UNCHANGED FROM THE PREVIOUS TARIFF SCHEDULE.

3. IN ADDITION, THE EXPORT TAX DECREE INCLUDED A TABLE LISTING VARIOUS PESO PARITY RATES AGAINST A SERIES OF EXPORT TARIFF RATES. AS THE PESO PARITY DETERIORATES AGAINST THE DOLLAR, THE TAX GETS HIGHER, AND VICE VERSA (SCALE, 13.01 TO 27.1 PESOS TO THE DOLLAR). AT PRESENT RATE, 19.7 PESOS PER DOLLAR, TAX ON GROUP (A) IS 18 0/0, AND ON GROUP (B) 6.5 0/0

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4. A SEPARATE ACUERDO ESTABLISHES EXPORT DUTY RATES FOR MAQUILADORAS, OR IN-BOND INDUSTRIES, TO BE PAID ONLY ON VALUE-ADDED IN MEXICO: (PESOS PER KILO)

ELECTRIC/ELECTRONIC PRODUCTS - 2.00

CLOTHING - 2.30

SPORTING GOODS - 2.75

SHOES/LEATHER GOODS - 0.65

FURNITURE AND WOOD ARTICLES - 0.20

GOOD PRODUCTS - 0.15

OTHER - 0.90

(STILL ANOTHER DECREE IN THE DIARIO OFICIAL SET FORTH THOSE TARIFF NUMBERS WHICH PRODUCTS CAN BE MANUFACTURED IN-BOND AND ESTABLISHED PROCEDURES FOR LICENSING IN-BOND OPERATIONS. A NOTABLE RELAXATION OVER PREVIOUS REQUIREMENTS IS THAT TEMPORARY IMPORT PERMITS ARE OBTAINABLE FROM A WIDE VARIETY OF GOM OFFICES IN MEXICO CITY AND THE PROVINCES.)

5. COMMENT: WORKING LEVEL INDUSTRY AND COMMERCE MINISTRY SOURCES QUERIED STATED THAT THESE EXPORT MEASURES ARE NOT TEMPORARY, THAT THERE IS NO EXPIRATION DATE UNDER CONSIDERATION. THIS CONFLICTS WITH OFTEN REPEATED ASSERTION OF SENIOR GOM OFFICIALS THAT EXPORT MEASURES ARE TEMPORARY AND THAT PRIMARY PURPOSE OF EXPORT DUTY IS TO ABSORB EXCESS PROFITS EXPORTERS WOULD RECEIVE FROM DOWNWARD FLOAT OF PESO ON THOSE EXPORTS IN THE PIPELINE.

6. IMPORTS - THE OFFICIAL PRICE LIST HAS BEEN TOTALLY REVISED - UPWARD, BY AND LARGE. ON THE OTHER HAND, AN OFFICIAL OF SECRETARIAT OF INDUSTRY AND COMMERCE (SIC) TOLD EMBSSY REPRESENTATIVE THAT DUTIES ON RAW MATERIALS AND OTHER IMPORTS DESTINED TO MEXICAN INDUSTRY UNCLASSIFIED

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HAD BEEN LOWERED BY 5 PERCENT OR MORE. TARIFF LEVEL RUNS FROM 2 PERCENT AND VALORUM TO 75 PERCENT.

7. EXTRA TAXES ON IMPORTS. THE 1 PERCENT AX PREVIOUSLY LEVIED ON IMPORTS TO SUPPORT GOM'S EXPORT PROMOTION PROGRAM IS STILL IN FORCE. THE TAX IS COMPUTED ON EITHER INVOICE VALUE OF THE IMPORT OR ITS OFFICIAL PRIVE, WHICHEVER IS HIGHER. AN ADDITIONAL 3 PERCENT MUNICIPAL TAX ALSO IS STILL LEVIED ON THE COMPUTED IMPORT DUTY TO SUPPORT MUNICIPAL IMPROVEMENT BUDGETS OF THE PORTS OF ENTRY.

8. IMPORT LICENSING SYSTEM. AS YET THERE HAVE BEEN NO CHANGES IN THE IMPORT LICENSING SYSTEM.

9. EMBASSY WILL FORWARD BY AIRPOUCH SEVERAL COPIES OF
DIARIO OFFICIAL CONTAINING NEW MEASURES ASAP.
THOMPSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, EXPORTS, IMPORTS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO11912
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760349-0712
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760954/aaaabtsu.tel
Line Count: 172
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 MEXICO 11538
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 03 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 AUG 2004 by schaeafaj>; APPROVED <13 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW MEXICAN EXPORT AND IMPORT TARIFF
TAGS: BEXP, EFIN, MX
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006